

Appropriate Uses of Government Travel Contracts

For Federal Contracting Officers & Government Contractors

- Eligibility
- Availability
- Authorization
- Airline Statements

No Contract Air Fare Usage for CRCs

The ineligibility of CRCs to obtain Government discount fares (CA, DG, MZ) on ANY contract airlines during FY99 is not altered by the form of payment, the specific Travel Agency used or requirements imposed by individual contracting officers.

Car Rental & Lodging Availability

Numerous hotel and car rental firms extend Government discounts to CRCs. The Federal Travel Directory and Official Airline Guides list hotel or car rental firms that have agreed to extend discounts to CRCs. See sample listing on this page for the CRC code that denotes "rates extended to CRCs."

Introduction

FY 99 Federal Airline Contracts do not allow any use of federal contract city pairs by any type of CRC. There are no exceptions. None!

This publication will clarify what has become one of the most abused issues surrounding Government travel discounts: *the availability, eligibility and authorization to use Government travel and transportation contract fares* for the 200,000 Government Contractor organizations commonly referred to as "CRCs." This publication clarifies the guidelines for all Contracting Officers, Travel Agents and CRCs involved in the performance of a Government contract.

What is a CRC?

A CRC can be anything from a Fortune 500 profit-seeking entity contracted with the Government to do work on a cost-reimbursable basis, to a non-profit entity, chartered by Congress to work solely for Government agencies. CRCs are eligible to use available Government discounts for travel performed in support of those contracts, ONLY with the approval of individual suppliers. *Agreement to use a Government rate is solely between the vendor, its contract with GSA or MTMC, and each CRC.*

Background

Over the past few years, the General Services Administration (GSA) and Military Traffic Management Command (MTMC) have reduced the cost of Federal travel, both through contractual arrangements and negotiated rate agreements with the airlines, car rental firms and the hotel industry. *The individual contracts and agreements between GSA/MTMC and the vendors determine whether CRCs are eligible for participation under the contract.*

The Problem

The problem centers around the use of airfares. The Government generally enjoys the most heavily discounted, unrestricted airfares. As coach fares continue to rise and discount fares for business travel decline, the Government's discounts (projected at 68% off normal coach fares for FY99) become increasingly attractive. Both contractors and contracting agencies are swayed by the potential to cut costs.

With the enormous savings potential involved, it is no wonder this issue generates so much interest and confusion. *Some Government contracting officers and auditors may have encouraged contractors to use unauthorized fares. GSA's official stance on this issue is that NO CRCs are eligible for CA, DG, MZ or any other government discount airfares. The airline statements on page 2 confirm this position.*

Sample Hotel Listing

Radisson Plaza Hotel at Mark Center	\$124
5000 Seminary Rd, 22311, Near Airport 800/333-3333 703/845-1010	DCA 4 mi.
	

Car Rental & Lodging Authorization

It is important to reiterate that form of payment, be it GTR or approved Government charge card, does not authorize any use of Government discount rates.

Car Rental & Lodging Summary

In order to "do the proper thing," follow this simple procedure:

- First, determine if the company is a CRC and eligible to use car rental and lodging discounts.
- Second, very carefully check which discounts are available to CRCs. The best resources for this are STAG, Federal Travel Directory, or OAG.
- Finally, obtain necessary authorization(s) and identifications from the contracting officers.

For More Information

You may wish to contact the following organizations for additional information:

Defense Travel System:	TEL: 703/607-1498	FAX: 703/602-8570
GSA:	TEL: 703/305-7314	FAX: 703/305-3040
MTMC:	TEL: 703/681-4932	FAX: 703/681-3014
STAG:	TEL: 301/654-8595	FAX: 301/654-6663

Action

All federal agencies should circulate this information to contracting officers and to Government contractors, where applicable.

Airline Statements

FY 99 Government contracts with the airlines do not provide for any domestic or international contract city pair discounts to CRCs. So that there are no misconceptions, the following airlines have issued statements on their current CRC policies:

America West Airlines' policy regarding the use of our GSA government city-pair fares is as follows: Government cost-reimbursable contractors (CRCs), Managed and Operated (M&O), Federally Funded Research and Development Contractors (FFRDC), and Government Owned/Contractor Operated (GOCOs) are not permitted to use these fares.

*Jim Heidler, Manager Industry Relations
America West Airlines*

American Airlines continues firm in its policy of restricting use of city-pair contract fares to employees of the Federal Government. It is the ultimate responsibility of the Travel Management/Commercial Travel Office to ensure that the individual airline's tariff rules are followed. We permit no exceptions and will vigorously pursue those who abuse the program by every means available to us, including ticket audits, debit memos and, in the most serious cases, removal of our plates from the ticketing location.

We have seen many "official authorization letters," written on letterhead stationery of various military and government offices, stating that employees of a certain organization qualify for use of the city-pair fares. Travel agents and Sato Travel personnel should be very clear in understanding that only American Airlines may provide this authorization. CRCs, FFRDCs, GOCOs, and M&Os are *not* government employees and, therefore, *not* eligible to use these fares.

American Airlines thanks the military and government travel agency community for their efforts in ensuring the compliance of these fares.

*Bill Quackenbush, Worldwide Manager, Military & Government Sales
American Airlines*

Continental Airlines policy on GSA city pair contract fares remains clear and unchanged. Only bonafide employees of the Federal Government traveling on official business using an authorized form of payment are eligible. Government contractors of any kind are not permitted to use Government contract fares with "CA" and "DG" designators. No exceptions.

Misuse of Government contract fares will result in recall of commissions and additional collection debit memos based on the lowest unrestricted coach air fare.

*Gary Sznajder, Manager, Military & Government Sales Programs
Continental Airlines*

Delta Air Lines' instructions to Travel Agents and SATO offices concerning the non-use of these fares by cost-reimbursable contractors are:

Delta does not extend any fare ending with a fare code designator of "CA" or "DG" to Government Cost Reimbursable Contractors (including CRCs, FFRDCs, GOCOs, and M&Os and Tribal Organizations not classified as mandatory.

It is the ultimate responsibility of the Travel Management Center/ Commercial Travel Office to ensure that the individual airline's tariff rules are followed. The integrity and success of the GSA city-pair program relies on the proper application of these fares for only authorized individuals. Abuse or improper applications of these fares can result in financial penalties to the ticketing entity.

Delta applauds the efforts of STAG, GSA, and DOD to clarify and communicate these policies to travel agencies and the Government Contractor communities.

*Thomas M. Anderson, Manager, Military & Government Sales
Delta Air Lines, Inc.*

Frontier Airline's policy regarding the use of our GSA government city-pair fares is very clear and straight forward. We extend our GSA city-pair fares only to employees of the federal government, traveling on official business, with an authorized form of payment (government-issued credit card or GTR). These fares are not extended to government cost reimbursable contractors, including Federally Funded Research and Development Contractors (FFRDCs), Government Owned/Contractors Operated (GOCOs) or M&Os (Management and Operating Contracts). Misuse or abuse of these fares will result in debit-memos, commission recalls, and ticket audits.

*Marsha Graham, District Sales Manager
Frontier Airlines*

Midwest Express Airlines extends its GSA city-pair fares only to employees of the federal government, traveling on official business, with an authorized form of payment (government issued credit card or GTR). These fares are not extended to government cost-reimbursable contractors, including Federally Funded Research and Development Contractors (FFRDCs), Government owned/Contractor Operated (GOCOs) or M&Os (Management and Operating Contracts). Midwest Express Airlines strictly enforces these guidelines and misuse or abuse of these fares will result in debit-memos, commission recalls, and ticket audits.

*Pamela Arbeiter, Senior Pricing Analyst
Military and Government Sales
Midwest Express Airlines*

Northwest Airlines, Inc. policy regarding the use of our GSA government city-pair fares is very clear and direct. We extend our GSA city-pair fares only to employees of the federal government, traveling on official business, with an authorized form of payment (a credit card issued by the U.S. Government, GTR or Direct Billing). Northwest Airlines, Inc. policy prohibits the use of these fares by cost-reimbursable contractors (CRCs), including Federally Funded Research and Development Contractors (FFRDCs), Government-owned/Contractors Operated (GOCOs) or M&Os (Management and Operating Contracts). Misuse or abuse of these fares will result in debit memos, commission recalls, and ticket audits.

*Dennis E. Clifford, Director, Military and Government Sales
Northwest Airlines*

Reno Air's policy regarding the use/misuse of the GSA City Pair Program is that only employees of the federal government traveling on official business with an authorized form of payment may use these fares. FFRDCs, GOCOs, or M&Os may not use these fares. Misuse/abuse of these fares will result in debit-memos.

*Morgan Kellermeyer, Pricing Supervisor
Reno Air, Inc.*

Southwest Airlines thanks you for spreading the word concerning our policy on contract fares for the Federal Government. Cost-reimbursable contractors, (GOCO, FFRDC, and M&O) are not authorized to use fares with a fare designator of "CA" or "DG." Travel agencies who issue tickets to unauthorized passengers will receive debit memos from Southwest Airlines for the difference of issued fares and full-fare tickets. Thank you for your efforts in maintaining the integrity of the GSA program and communicating these policies to the travel agencies.

*Jason Ward, National Accounts Manager
Southwest Airlines Co.*

TWA authorizes the use of GSA city-pair contract fares for Federal Government employees traveling on Official Government Business. In addition, TWA extends the use of these fares to Tribal Organizations classified as "mandatory users" by the GSA. TWA fares which have a code ending in "CA" or "DG" are for official travel only and to be used solely by those specified in the current GSA agreement with TWA.

Cost Reimbursable Contractors (CRCs), Federally Funded Research & Development Contractors (FFRDCs), Management & Operating Contracts (M&O) and Government- Owned/Contractor Operated (GOCOs) are not eligible to use GSA city-pair fares on TWA. Unauthorized ticketing and use of these fares will result in the issuance of debit memos.

We believe our policy is clear and we appreciate your assistance and continued efforts in reducing any misunderstanding.

*Jim Sebek, Manager, Airline Marketing
Trans World Airlines, Inc.*

United Airlines welcomes your help in communicating our policy not only to Travel Agents and SATOs, but also the many cost-reimbursable contractors who comprise a valued portion of our customer base.

Our policy, like that of all other major carriers, is straight-forward: fare bases ending in the codes "CA", "DG" and "MZ" may be used appropriately only by direct employees of the Federal Government. Employees of cost-reimbursable contractors, FFRDCs and GOCOs are not eligible for these types of fares on United.

The distinction between direct employees of the Federal Government and similar entities is important: misuses of the fares can result in significant financial penalties.

*John Nicholson, Manager, Government and Military Markets
United Airlines*

US Airways' policy regarding the use of our GSA government city-pair fares is very clear and straight-forward. We extend our GSA city-pair fares only to employees of the federal government, traveling on official business, with an authorized form of payment (government issued credit card or GTR). These fares are not extended to government cost-reimbursable contractors, including Federally Funded Research and Development Contractors (FFRDCs), Government-owned/Contractors Operated (GOCOs), or M&Os (Management and Operating Contracts). Misuse or abuse of these fares will result in debit-memos, commissions, recalls, and ticket audits.

*Pat Baker, Manager, Government and Military Sales
US Airways*

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